

Message Text

UNCLASSIFIED

PAGE 01 MADRID 08795 311633Z
ACTION L-03

INFO OCT-01 EUR-12 ISO-00 EB-08 CIAE-00 COME-00
DODE-00 DOTE-00 FMC-02 INR-10 NSAE-00 CG-00
DLOS-09 OES-09 JUSE-00 CTME-00 OMB-01 TRSE-00
FAA-00 ICA-20 /075 W
-----025011 311701Z /46

P 311632Z JUL 78
FM AMEMBASSY MADRID
TO SECSTATE WASHDC PRIORITY 5557

UNCLAS MADRID 08795

E.O.11652:N/A
TAGS: ETRN, SP
SUBJ: SPANISH TAXATION OF FOREIGN FLAG INSTRUMENTS
OF COMMERCE

REF: STATE 191803

1. SPAIN DOES NOT NORMALLY TAX FOREIGN FLAG INSTRUMENTS
OF COMMERCE. AN EXCEPTION CAN OCCUR IF THE FOREIGN
TRANSPORT FIRM HAS AN OFFICE IN SPAIN AND ALSO HAS ITS
HEAD OFFICE IN A FOREIGN COUNTRY WITH WHICH SPAIN DOES
NOT HAVE A BILATERAL TAX TREATY (FOR EXAMPLE, THE UNITED
STATES). IN SUCH A CASE THE FOREIGN FIRM'S LOCAL OFFICE
CAN BE ASSESSED CORPORATE INCOME TAX AND A CASCADE-TYPE
BUSINESS TAX, AS WELL AS A MODEST LICENSING FEE.
PROPERTY TAX ISSUES DO NOT ARISE BECAUSE SPAIN AND ITS
POLITICAL SUBDIVISIONS DO NOT LEVY PROPERTY TAXES ON
DOMESTIC OR FOREIGN CORPORATIONS.

2. ADDITIONAL INFORMATION BY MODE OF TRANSPORT:
- SHIPPING AND AIRLINES. CONTAINERS OWNED AND USED BY
FOREIGN CARRIERS ARE NOT SUBJECT TO TAXATION OR FEES.
HOWEVER, IF THE FOREIGN-OWNED CONTAINERS ARE USED IN
DOMESTIC COMMERCE BY ANOTHER CORPORATION, THIS SECOND
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CORPORATION IS REQUIRED TO PAY BUSINESS AND INCOME TAXES
ON THE REVENUE GENERATED.
- ROAD TRANSPORT. FOREIGN FLAG TRUCKS PAY NO ROAD OR
LICENSING TAXES.
- RAIL TRANSPORT. NO TAXES LEVIED. TODMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, INSTRUMENTS, TAXES, CARGO SHIPS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MADRID08795
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780313-0329
Format: TEL
From: MADRID
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978074/aaaaacwm.tel
Line Count: 60
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e15d3570-c288-dd11-92da-001cc4696bcc
Office: ACTION L
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 191803
Retention: 0
Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
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Review Withdrawn Fields: n/a
SAS ID: 1944555
Secure: OPEN
Status: NATIVE
Subject: SPANISH TAXATION OF FOREIGN FLAG INSTRUMENTS OF COMMERCE
TAGS: ETRN, SP
To: STATE
Type: TE
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Review Markings:
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